# NADA DATA FOR 1984

## ECONOMIC IMPACT OF AMERICA'S NEW CAR & TRUCK DEALERS

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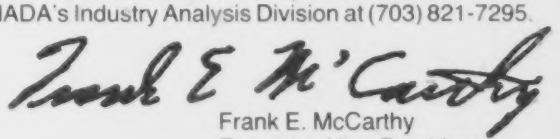
# Introduction

As was predicted by the NADA Optimism Index, 1983 was a year of strong recovery for franchised new car and truck dealers. In January of 1983, the Index, which measures dealers' profit expectations, was at its highest level in six years. As the year progressed, dealers' expectations were actually exceeded as total dealership sales set an annual record of $178.3 billion. Even more impressively, this year's January index value of 180 is the highest mark registered since the inception of the Index in 1976. This indicates that dealers anticipate enjoying yet another record year in 1984. As shown by the exhibits on page 3 of this booklet, the Index has been a reliable leading indicator of new car sales over the years. And, since the fate of the nation's economy is closely tied to that of the automotive industry, this record level of dealer optimism can be construed as a very encouraging sign that the United States' economy, as well as the financial position of the average franchised new car dealer, should continue to improve throughout the remainder of 1984.

The prosperity experienced by the average franchised new car and truck dealer enabled him to make a substantial contribution to his local economy last year. In addition to employing 29 people with a total payroll of $545,000, the average dealer also spent $65,203 on advertising and provided his community with $7.2 million worth of goods and services. However, the contribution of the average franchised new car and truck dealer to his local economy does not stop there. For, when new car and truck sales are up, jobs are created in many automotive-related industries. And so, just as it is apparent that each new car and truck dealer is a vital component of his respective local economy, it is also obvious that the $178.3 billion of total sales, as well as the $22.4 billion in operating expenditures, accounted for by all franchised new car and truck dealers in 1983 had a significant effect upon the national economy as well.

While the average dealer was boosting his sales in 1983, he was also carefully controlling his costs. Average dealership profit, as a percent of total sales, more than doubled from 1982 to 1983 by rising to 2.14%. This growth in before tax profits, from $74,823 in 1982 to $155,039 last year, also represents a 100.8% gain in terms of constant dollars. Thus, the average dealer improved his financial position both on paper and in fact. As yet another sign of the recovery, the total number of dealerships in operation did not change from 1982 to 1983. This marks the first year in the past two decades that the net dealership count has not declined and this stability bodes well for this nation's 24,725 franchised new car and truck dealers and the 713,700 people they employ.

The statistics quoted above are only a sampling of the information contained in this year's NADA DATA book. The tables and charts in this booklet provide a profile of the average franchised new car and truck dealer as well as of his impact on the economy. Every effort has been made to present facts and figures, as well as explanatory notes, as clearly and concisely as possible. If, however, you should have any questions concerning the information contained in this booklet, or if you should need either additional or updated data, feel free to contact NADA's Industry Analysis Division at (703) 821-7295.



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# Average Dealer Profile

### Total Dealership Sales

Total dollar sales for the average dealership increased sharply to a new record in 1983. Because of the recovery in new vehicle sales after three years of decline, the new vehicle department's share of total dealership sales rose significantly to a more normal 63.4% share. The used vehicle department's share of total sales declined only slightly while the service and parts department's share fell sharply from 15.8% in 1982 to 14.1% in 1983.

All dealership departments did, however, record not only dollar sales increases, but also unit volume increases in the amount of work performed. The new vehicle department for the average dealership recorded a 19.7% increase in new unit sales. Used unit sales increased 9.6% and the total number of repair orders performed by the average dealer increased 8.0%.

### Total Gross and Expense

In 1983, both gross and expense as a percent of sales declined for the third consecutive year. Over the years the trend has been for dealerships to become increasingly large businesses that operate on increasingly thin margins.

Some representive major expenses for the average dealership in 1983 are as follows:

| | |
|---|---|
| Total Payroll | $545,000 |
| Advertising | 65,200 |
| Rent and equivalent | 63,750 |
| Floor plan interest | 31,900 |

### Total Dealership Profits

The sharp recovery in sales in 1983 permitted dealership profitability to return to more normal levels. Net profit before taxes as a percent of total sales was 2.14% in 1983. This was the highest profit margin recorded since 1972.

Dealership profitability as measured by return on investment has also shown tremendous gains, especially if one considers the cost of money. Deducting the average yield on one year Treasury bills from the dealer's net profit before tax as a percent of net worth, shows that in 1980 the average dealer had a negative return. In 1983, this measurement of profitability increased to its highest level since 1972.

## AVERAGE DEALERSHIP PROFILE

| | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | % Change 1982-83 |
|---|---|---|---|---|---|---|---|---|
| Total Dealership Sales | $4,195,628 | $4,665,445 | $4,886,515 | $4,677,885 | $5,245,277 | $5,755,637 | $7,244,815 | 25.87% |
| Total Dealership Gross<br>As % of Total Sales | $591,584<br>14.10% | $669,025<br>14.34% | $708,056<br>14.49% | $718,991<br>15.37% | $775,776<br>14.79% | $798,882<br>13.88% | $994,713<br>13.73% | 24.51% |
| Total Dealership Expense<br>As % of Total Sales | $509,769<br>12.15% | $577,582<br>12.38% | $646,486<br>13.23% | $690,456<br>14.76% | $714,931<br>13.63% | $724,059<br>12.58% | $839,674<br>11.59% | 15.97% |
| Net Profit Before Taxes<br>As % of Total Sales | $81,815<br>1.95% | $91,443<br>1.96% | $61,570<br>1.26% | $28,535<br>0.61% | $60,845<br>1.16% | $74,823<br>1.30 | $155,039<br>2.14% | 107.21% |
| (Net Pre-tax Profit in Constant '67 Dollars) | $45,077 | $46,788 | $28,316 | $11,562 | $22,340 | $25,880 | $51,953 | 100.75% |
| New Vehicle Dept. Sales<br>As % of Total Sales | $2,681,006<br>63.90% | $2,990,550<br>64.10% | $3,102,937<br>63.50% | $2,881,577<br>61.60% | $3,204,864<br>61.10% | $3,533,961<br>61.40% | $4,593,213<br>63.40% | 29.97% |
| Used Vehicle Dept. Sales<br>As of % of Total Sales | $876,886<br>20.90% | $975,078<br>20.90% | $991,963<br>20.30% | $982,356<br>21.00% | $1,201,158<br>22.90% | $1,312,285<br>22.80% | $1,630,083<br>22.50% | 24.22% |
| Service and Parts Sales<br>As % of Total Sales | $637,735<br>15.20% | $699,817<br>15.00% | $791,615<br>16.20% | $813,952<br>17.40% | $839,244<br>16.00% | $909,391<br>15.80% | $1,021,519<br>14.10% | 12.33% |
| New Vehicle Average Selling Price | $6,120 | $6,470 | $6,950 | $7,530 | $8,850 | $9,910 | $10,725 | 8.22% |
| Average Net Worth (As of 12/31) | $325,495 | $349,210 | $388,127 | $372,443 | $365,525 | $395,305 | $523,091 | 32.33% |
| Net Profit as % of Net Worth | 25.14% | 26.19% | 15.86% | 7.66% | 16.65% | 18.93% | 29.64% | |

Source: NADA Industry Analysis Department

# NADA Optimism Index

For the past seven and a half years, NADA's Industry Analysis Department has conducted a quarterly survey of the profit expectations of new car and truck dealers for the succeeding twelve months. The survey results have closely matched dealers' actual profit experience and also serve as a barometer of national economic trends.

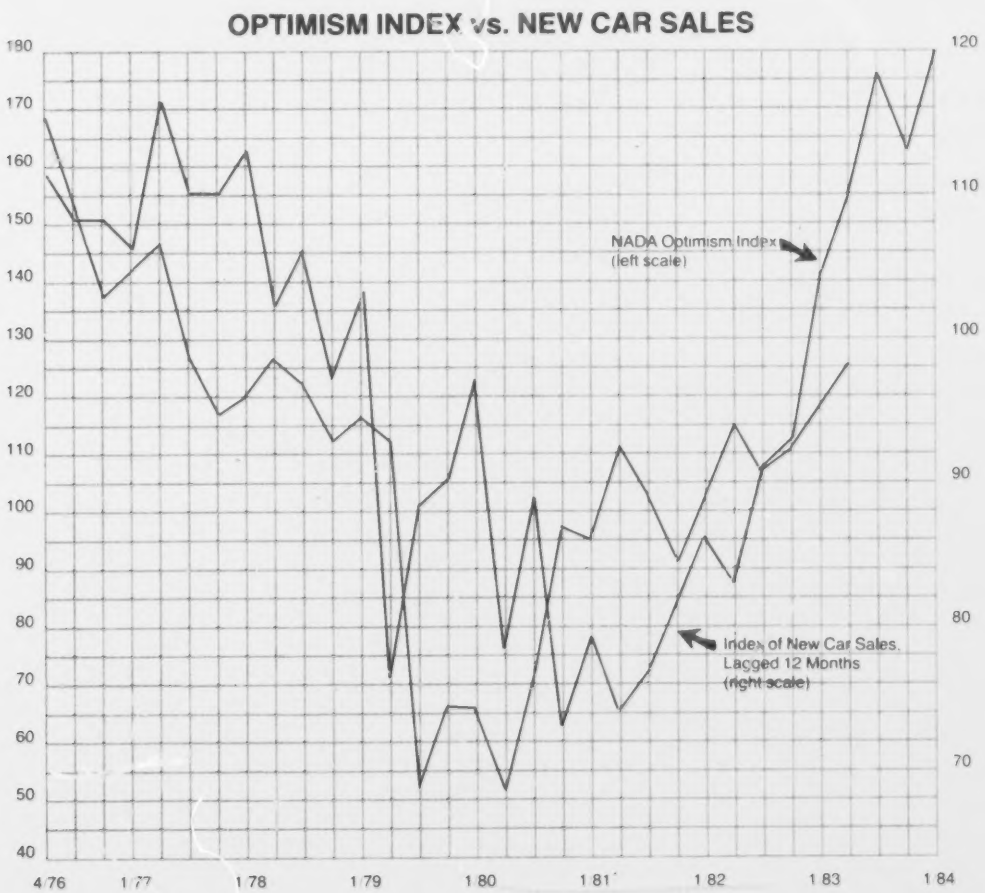
At the beginning of 1984, dealers expressed greater optimism than at any time since the survey began. In January of 1984, the Optimism Index reached a level of 180—a full 77 points above the January, 1982 level. This high level of optimism is very encouraging news because, as can be seen in the charts below, dealers have been quite prescient with respect to turning points in the national economy and new car sales.

Throughout 1981 and 1982 when many industry analysts were constantly predicting an imminent turnaround in new vehicle sales, dealers showed no significant increase in optimism. In retrospect it can be noted that the low level of dealer optimism was well-founded. The NADA Optimism Index began its most recent rise in early 1983 and subsequently new car sales began to improve. The current high level of dealer optimism indicates that dealers believe the motor vehicle industry's recovery will continue throughout 1984.

## Expectations for Dealership Profits

**Percent of Dealers Expecting Profits to:**

| | INCREASE | NO CHANGE | DECLINE | INDEX VALUE |
|---|---|---|---|---|
| 1/79 | 30.2 | 52.3 | 17.5 | 116 |
| 4/79 | 29.1 | 50.5 | 20.4 | 112 |
| 7/79 | 13.6 | 36.3 | 50.1 | 52 |
| 10/79 | 16.9 | 42.4 | 40.7 | 67 |
| 1/80 | 17.9 | 40.5 | 41.6 | 66 |
| 4/80 | 9.2 | 25.4 | 65.3 | 51 |
| 7/80 | 23.0 | 40.0 | 37.1 | 74 |
| 10/80 | 26.5 | 43.3 | 30.3 | 98 |
| 1/81 | 25.5 | 48.4 | 26.1 | 95 |
| 4/81 | 30.0 | 51.5 | 18.6 | 111 |
| 7/81 | 27.0 | 52.5 | 20.5 | 104 |
| 10/81 | 22.1 | 50.2 | 27.7 | 92 |
| 1/82 | 27.6 | 48.8 | 23.6 | 103 |
| 4/82 | 33.4 | 47.4 | 19.2 | 115 |
| 7/82 | 27.1 | 51.7 | 21.2 | 106 |
| 10/82 | 32.2 | 49.0 | 18.8 | 113 |
| 1/83 | 46.8 | 44.8 | 8.4 | 141 |
| 4/83 | 54.4 | 38.1 | 7.5 | 155 |
| 7/83 | 65.5 | 30.5 | 4.0 | 176 |
| 10/83 | 55.0 | 40.4 | 4.6 | 163 |
| 1/84 | 65.8 | 30.9 | 3.3 | 180 |



# Number of Franchised New Car Dealerships

For the first time since 1964 the total net dealership count did not decline. On January 1, 1984, there were an estimated 24,725 franchised new car dealerships in operation—the same count as at the beginning of 1983. During the previous four calendar years there was a net loss of 4,125 dealerships (a decline of 14%).

Although there was a net loss of dealerships during the first half of 1983, that loss was made up during the latter part of 1983 as the recovery stimulated the reopening of previously closed points. After accounting for the decline and subsequent rise in dealerships during calendar year 1983, it was calculated that the average number of dealerships in operation during the year was 24,613.

The following explicatory notes are needed to interpret the breakdown of dealerships by category as presented in the table to the right.

- Starting in 1982, Volkswagen dealers have been classified as domestic dealers. (The majority of Volkswagens sold in the U.S. are produced in the U.S.)
- Starting in 1983, AMC-Renault dealerships have been classified as "handling domestic makes only." (Renault owns controlling interest in AMC, but Renault's largest sellers are built in the U.S.)
- In 1982, a large drop in the category entitled "handling both domestic and import makes" occurred because of the discontinuance of Ford's captive import, the Fiesta. Of the 6,225 dealers in that category in 1984, approximately 3,875 represent Chrysler dealers who sell their captive import line. The remaining 2,350 dealers in this category represent domestic dealers dualled with a non-captive import.
- There is a growing trend for one dealer principal to operate, or have a financial interest in, more than one dealership. In such instances, each dealership has been counted once and placed in the category appropriate for the make(s) it handles. (Recent NADA surveys indicate that 13% of all dealers have a financial interest in more than one dealership.)
- Of the total 24,725 new "car" dealerships, approximately two-thirds sell or have the right to sell their manufacturer's light-duty truck models.

## Estimated Number of Franchised New Car Dealerships

**(As of the Beginning of the Year)**

| Year | Total | Handling Domestic Makes Only | Handling Both Domestic and Import Makes | Handling Imported Makes Only |
|---|---|---|---|---|
| 1975 | 29,600 | 18,500 | 6,500 | 4,600 |
| 1976 | 29,300 | 18,900 | 5,600 | 4,800 |
| 1977 | 29,100 | 17,700 | 6,900 | 4,500 |
| 1978 | 29,000 | 11,600 | 12,700 | 4,500 |
| 1979 | 28,850 | 11,650 | 12,700 | 4,500 |
| 1980 | 28,250 | 11,600 | 12,100 | 4,550 |
| 1981 | 26,600 | 10,000 | 12,050 | 4,550 |
| 1982 | 25,700 | 14,450 | 7,250 | 4,000 |
| 1983 | 24,725 | 14,675 | 6,100 | 3,950 |
| 1984 | 24,725 | 14,625 | 6,225 | 3,875 |

Source: NADA Industry Analysis Department

## Estimated Number of Franchised New Car Dealerships

**By State As of January 1, 1984**

| | | | |
|---|---|---|---|
| Alabama | 342 | Montana | 196 |
| Alaska | 28 | Nebraska | 330 |
| Arizona | 181 | Nevada | 75 |
| Arkansas | 340 | New Hampshire | 162 |
| California | 1,790 | New Jersey | 733 |
| Colorado | 284 | New Mexico | 149 |
| Connecticut | 356 | New York | 1,392 |
| Delaware | 67 | North Carolina | 698 |
| D.C. | 9 | North Dakota | 212 |
| Florida | 755 | Ohio | 1,165 |
| Georgia | 598 | Oklahoma | 457 |
| Hawaii | 58 | Oregon | 308 |
| Idaho | 163 | Pennsylvania | 1,575 |
| Illinois | 1,280 | Rhode Island | 91 |
| Indiana | 632 | South Carolina | 299 |
| Iowa | 614 | South Dakota | 175 |
| Kansas | 434 | Tennessee | 436 |
| Kentucky | 362 | Texas | 1,558 |
| Louisiana | 378 | Utah | 153 |
| Maine | 192 | Vermont | 106 |
| Maryland | 358 | Virginia | 583 |
| Massachusetts | 580 | Washington | 389 |
| Michigan | 938 | West Virginia | 281 |
| Minnesota | 597 | Wisconsin | 781 |
| Mississippi | 330 | Wyoming | 99 |
| Missouri | 656 | **TOTAL U.S.** | **24,725** |

Source: NADA Industry Analysis Department

# Total Dealership Sales Dollars

The total dollar sales of all franchised new car dealerships reached a record $178.3 billion in 1983, up 23% from 1982. The percentage increase in dollar sales for the average dealership was higher (+26%), because the average number of dealerships in operation during 1983 was slightly fewer than in 1982.

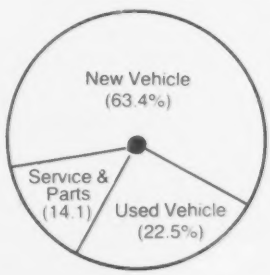
The relative share of total dealership sales accounted for by each department changed sharply from 1982 to 1983. Because of the rise in new vehicle sales, that department's share of total sales rose to a more normal 63.4% in 1983. The used vehicle department's share of total sales declined only slightly while the service and parts department's share fell sharply from 15.8% to 14.1%.

## Total Sales of Franchised New Car Dealers

| Year | All Dealers (Billions of Dollars) | Average Per Dealer (Thousands of Dollars) |
|---|---|---|
| 1973 | $ 83.5 | $2.780 |
| 1974 | 76.3 | 2.559 |
| 1975 | 84.2 | 2.860 |
| 1976 | 105.2 | 3.602 |
| 1977 | 121.9 | 4.196 |
| 1978 | 134.9 | 4.665 |
| 1979 | 139.5 | 4.887 |
| 1980 | 128.3 | 4.678 |
| 1981 | 137.2 | 5.245 |
| 1982 | 145.1 | 5.756 |
| 1983 | 178.3 | 7.245 |

Source: U.S. Department of Commerce and NADA Industry Analysis Dept.

**SHARE OF TOTAL DEALERSHIP SALES DOLLARS**
(By Department)
**1983**




## 1983 TOTAL SALES BY STATE

| STATE | All Dealers ($Millions) | Average Per Dealer ($Thousands) | STATE | All Dealers ($Millions) | Average Per Dealer ($Thousands) |
|---|---|---|---|---|---|
| Alabama | $ 2,612 | $ 7,638 | Montana | $ 657 | $ 3,351 |
| Alaska | 403 | 14,400 | Nebraska | 1,160 | 3,516 |
| Arizona | 2,276 | 12,573 | Nevada | 806 | 10,742 |
| Arkansas | 1,572 | 4,623 | New Hampshire | 943 | 5,821 |
| California | 19,206 | 10,729 | New Jersey | 5,729 | 7,815 |
| Colorado | 2,822 | 9,935 | New Mexico | 1,003 | 6,729 |
| Connecticut | 2,607 | 7,322 | New York | 9,493 | 6,820 |
| Delaware | 515 | 7,687 | North Carolina | 4,601 | 6,592 |
| D.C. | 90 | 10,051 | North Dakota | 702 | 3,314 |
| Florida | 11,093 | 14,693 | Ohio | 7,659 | 6,575 |
| Georgia | 5,029 | 8,410 | Oklahoma | 3,500 | 7,660 |
| Hawaii | 499 | 8,599 | Oregon | 2,051 | 6,661 |
| Idaho | 653 | 4,007 | Pennsylvania | 8,184 | 5,196 |
| Illinois | 8,555 | 6,683 | Rhode Island | 581 | 6,380 |
| Indiana | 3,866 | 6,118 | South Carolina | 2,049 | 6,852 |
| Iowa | 2,209 | 3,597 | South Dakota | 564 | 3,221 |
| Kansas | 2,015 | 4,643 | Tennessee | 3,515 | 8,061 |
| Kentucky | 2,116 | 5,847 | Texas | 14,185 | 9,105 |
| Louisiana | 3,198 | 8,461 | Utah | 1,059 | 6,921 |
| Maine | 884 | 4,606 | Vermont | 423 | 3,990 |
| Maryland | 3,785 | 10,572 | Virginia | 4,550 | 7,804 |
| Massachusetts | 4,559 | 7,860 | Washington | 2,669 | 6,862 |
| Michigan | 7,866 | 8,386 | West Virginia | 1,198 | 4,263 |
| Minnesota | 3,322 | 5,565 | Wisconsin | 3,476 | 4,451 |
| Mississippi | 1,513 | 4,584 | Wyoming | 406 | 4,096 |
| Missouri | 3,885 | 5,922 | **TOTAL U.S.** | **178,313** | **7,245** |

## Relationship of Franchised New Car Dealer to Total Retail Trade

| | Number of Dealers as % of Total Retail Establishments in the State | Dealer Sales as % of Total Retail Sales in the State | Dealer Payroll as % of Total Retail Payroll in the State | Dealer Employees as % of Total Retail Employment in the State |
|---|---|---|---|---|
| Alabama | 2.0% | 15.7% | 10.7% | 5.3% |
| Alaska | 1.6% | 15.7% | 6.5% | 5.1% |
| Arizona | 1.6% | 15.4% | 10.1% | 5.0% |
| Arkansas | 2.6% | 16.1% | 9.8% | 5.0% |
| California | 1.4% | 13.5% | 10.1% | 4.5% |
| Colorado | 1.9% | 17.1% | 10.9% | 5.0% |
| Connecticut | 2.3% | 14.8% | 9.2% | 5.1% |
| Delaware | 1.9% | 15.8% | 8.9% | 5.1% |
| D.C. | 0.4% | 2.3% | 3.1% | 0.9% |
| Florida | 1.4% | 18.8% | 10.1% | 5.3% |
| Georgia | 2.2% | 15.9% | 9.2% | 5.6% |
| Hawaii | 1.0% | 8.9% | 6.8% | 2.9% |
| Idaho | 3.0% | 15.1% | 11.9% | 5.7% |
| Illinois | 2.5% | 15.4% | 8.2% | 3.9% |
| Indiana | 2.4% | 14.6% | 9.5% | 4.2% |
| Iowa | 3.3% | 14.9% | 10.6% | 4.9% |
| Kansas | 3.0% | 16.5% | 11.1% | 5.3% |
| Kentucky | 2.3% | 12.5% | 9.4% | 4.6% |
| Louisiana | 1.9% | 16.5% | 11.3% | 5.2% |
| Maine | 3.1% | 15.5% | 10.1% | 6.1% |
| Maryland | 1.8% | 16.8% | 9.4% | 5.3% |
| Massachusetts | 2.1% | 13.2% | 7.8% | 4.2% |
| Michigan | 2.3% | 16.2% | 9.7% | 4.9% |
| Minnesota | 2.7% | 15.0% | 9.1% | 4.1% |
| Mississippi | 2.8% | 15.0% | 11.4% | 5.6% |
| Missouri | 2.5% | 14.9% | 9.4% | 4.6% |
| Montana | 3.3% | 16.0% | 11.5% | 5.8% |
| Nebraska | 3.1% | 14.0% | 10.1% | 4.6% |
| Nevada | 1.7% | 16.5% | 11.2% | 4.7% |
| New Hampshire | 3.0% | 17.5% | 11.0% | 6.3% |
| New Jersey | 2.0% | 14.1% | 8.5% | 4.3% |
| New Mexico | 2.2% | 16.9% | 11.5% | 5.4% |
| New York | 1.7% | 11.6% | 6.6% | 3.6% |
| North Carolina | 2.4% | 15.9% | 9.9% | 5.6% |
| North Dakota | 4.2% | 19.4% | 14.1% | 6.8% |
| Ohio | 2.4% | 15.1% | 8.5% | 4.3% |
| Oklahoma | 2.9% | 18.9% | 10.9% | 6.2% |
| Oregon | 2.3% | 13.6% | 10.1% | 4.9% |
| Pennsylvania | 2.6% | 15.1% | 9.5% | 4.9% |
| Rhode Island | 1.8% | 12.8% | 7.1% | 3.8% |
| South Carolina | 2.2% | 15.1% | 9.7% | 5.2% |
| South Dakota | 3.7% | 16.8% | 12.1% | 5.8% |
| Tennessee | 2.2% | 16.1% | 10.3% | 5.2% |
| Texas | 1.9% | 16.1% | 10.0% | 5.0% |
| Utah | 2.5% | 15.3% | 10.0% | 4.6% |
| Vermont | 3.2% | 16.0% | 11.3% | 6.0% |
| Virginia | 2.4% | 15.6% | 11.1% | 6.2% |
| Washington | 2.1% | 11.9% | 8.9% | 4.3% |
| West Virginia | 3.4% | 14.1% | 11.8% | 6.3% |
| Wisconsin | 2.9% | 15.3% | 9.7 | 4.7% |
| Wyoming | 3.0% | 15.0% | 11.7% | 5.9% |
| **Total U.S.** | **2.1%** | **15.2%** | **9.4%** | **4.7%** |

Source: NADA Industry Analysis Department

# The New Vehicle Department

The four year decline in new car sales came to a halt in 1983 as unit sales rose 15.1%. The increase in sales was primarily attributable to the economic recovery, in general, and to the sharp rise in consumer confidence, in particular. A continuation of these factors plus the expected sharper increases in personal income leads us to believe that new car sales will show a further increase in 1984.

Domestic new car sales rose 18.0% in 1983, while imports, which were restrained by Japanese export quotas, rose only 7.3%. As a result, the market share of imports fell to 26.0%, their lowest level since 1979, but still considerably higher than their average over the past ten years.

Continued declines in the real price of gasoline, coupled with the return of the typical large car buyer to the market place, resulted in "small" cars accounting for only 58.2% of all sales in 1983. In spite of the shift towards larger cars, the average fuel economy of new cars sold has continued to rise each model year.

## New Passenger Car Sales
### Annual Totals

| Year | Total Cars | Domestic Cars | Imported Cars | Imported Cars As a % of Total Sales | Small Cars As a % of Total Sales |
|---|---|---|---|---|---|
| 1974 | 8,852,768 | 7,448,921 | 1,403,847 | 15.9% | 44.0% |
| 1975 | 8,632,952 | 7,050,120 | 1,562,832 | 18.3% | 51.3% |
| 1976 | 10,105,750 | 8,606,573 | 1,499,177 | 14.8% | 46.8% |
| 1977 | 11,178,844 | 9,104,454 | 2,074,390 | 18.6% | 47.0% |
| 1978 | 11,310,411 | 9,307,998 | 2,002,413 | 17.7% | 48.1% |
| 1979 | 10,660,351 | 8,328,055 | 2,332,296 | 21.9% | 56.6% |
| 1980 | 8,978,584 | 6,578,242 | 2,400,332 | 26.7% | 64.0% |
| 1981 | 8,533,135 | 6,205,856 | 2,327,279 | 27.3% | 65.2% |
| 1982 | 7,979,745 | 5,756,658 | 2,223,087 | 27.9% | 63.5% |
| 1983 | 9,180,912 | 6,795,299 | 2,385,613 | 26.0% | 58.2% |
| Average '74-'83 | 9,541,345 | 7,518,218 | 2,023,127 | 21.2% | 54.5% |

Source: Ward's Automotive Reports

## Market Penetration

### Share of Total U.S. New Car Sales

| Year | AMC | Chrysler | Ford | General Motors | Volkswagen | Datsun | Honda | Toyota | Other Imports | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| 1974 | 335,093<br>3.79% | 1,203,636<br>13.60% | 2,214,658<br>25.02% | 3,695,534<br>41.74% | 334,423<br>3.78% | 185,162<br>2.09% | 41,719<br>0.47% | 238,135<br>2.69% | 604,408<br>6.83% | 8,852,768 |
| 1975 | 322,272<br>3.73% | 997,116<br>11.55% | 1,983,723<br>22.98% | 3,747,009<br>43.40% | 267,730<br>3.10% | 259,842<br>3.01% | 102,389<br>1.19% | 287,103<br>3.33% | 665,768<br>7.71% | 8,632,952 |
| 1976 | 247,640<br>2.45% | 1,301,940<br>12.88% | 2,256,277<br>22.33% | 4,800,716<br>47.50% | 201,760<br>2.00% | 270,103<br>2.67% | 150,929<br>1.49% | 346,900<br>3.43% | 529,485<br>5.24% | 10,105,750 |
| 1977 | 184,361<br>1.65% | 1,219,752<br>10.91% | 2,552,210<br>22.83% | 5,148,131<br>46.05% | 262,932<br>2.35% | 388,383<br>3.47% | 223,633<br>2.00 | 493,048<br>4.41% | 706,394<br>6.32% | 11,178,844 |
| 1978 | 170,739<br>1.51% | 1,146,258<br>10.13% | 2,582,702<br>22.83% | 5,385,282<br>47.61% | 242,241<br>2.14% | 339,364<br>3.00% | 274,876<br>2.43% | 441,800<br>3.91% | 727,149<br>6.43% | 11,310,411 |
| 1979 | 162,057<br>1.52% | 942,205<br>8.84% | 2,140,368<br>20.08% | 4,917,911<br>46.13% | 295,293<br>2.77% | 472,252<br>4.43% | 353,291<br>3.31% | 507,816<br>4.76% | 869,158<br>8.15% | 10,660,351 |
| 1980 | 149,438<br>1.66% | 660,017<br>7.35% | 1,475,231<br>16.43% | 4,116,482<br>45.85% | 269,466<br>3.00% | 516,890<br>5.76% | 375,388<br>4.18% | 582,195<br>6.48% | 833,477<br>9.28% | 8,978,584 |
| 1981 | 136,682<br>1.60% | 729,873<br>8.55% | 1,380,600<br>16.18% | 3,796,696<br>44.49% | 244,910<br>2.87% | 464,806<br>5.45% | 370,705<br>4.34% | 576,491<br>6.76% | 832,372<br>9.75% | 8,533,135 |
| 1982 | 112,433<br>1.41% | 691,703<br>8.67% | 1,345,698<br>16.86% | 3,515,660<br>44.06% | 159,529<br>2.00% | 470,246<br>5.89% | 365,865<br>4.58% | 530,246<br>6.64% | 788,365<br>9.88% | 7,979,745 |
| 1983 | 193,351<br>2.11% | 841,622<br>9.17% | 1,571,321<br>17.12% | 4,053,561<br>44.15% | 162,065<br>1.77% | 521,902<br>5.68% | 401,072<br>4.37% | 555,766<br>6.05% | 800,252<br>9.59% | 9,180,912 |
| Average 1974-1983 | 201,407<br>2.11% | 973,412<br>10.20% | 1,950,279<br>20.44% | 4,317,698<br>45.25% | 244,035<br>2.56% | 388,895<br>4.08% | 265,987<br>2.79% | 455,950<br>4.78% | 743,682<br>7.79% | 9,541,345 |

Source: Ward's Automotive Reports

As shown in the chart to the right, new car sales were strongest during the latter part of 1983. In seven of the last eight months of 1983, new car sales on a seasonally adjusted annual basis exceeded 9 million units. In the last quarter of 1983, new cars sold at an annual rate of almost 10 million units.

The overall rise in new car sales in 1983, coupled with the dealership attrition of past years, resulted in an average of 373 new car sales per dealer. With the expected continued rise in sales, the average number of new cars sold per dealership should exceed 400 units in 1984.

After two consecutive years of double-digit percentage increases in average new vehicle selling prices, the rate of increase declined to 8.2% in 1983. The tremendous cost cutting measures undertaken by manufacturers during the past several years should allow for a moderation in future vehicle price increases.

The chart at the bottom right shows that the number of cars in dealer inventories has fallen steadily since 1978 when it averaged 2.4 million units. In 1983, the average number of new cars in dealer inventory fell to less than 1.5 million units. The decline in inventories has been sharper for imports because of the restraint on Japanese exports.

## New Car Sales by Month Seasonally Adjusted Annual Rate

| | 1983 Actual | 1983 SAAR* (in millions) | 1982 Actual | 1982 SAAR (in millions | % Change 1982-1983 |
|---|---|---|---|---|---|
| January | 595,800 | 8.5 | 534,400 | 7.8 | +11.5% |
| February | 627,800 | 8.2 | 632,400 | 8.3 | − 0.7% |
| March | 821,400 | 8.4 | 777,100 | 7.9 | + 5.7% |
| April | 764,100 | 8.5 | 668,900 | 7.3 | +14.2% |
| May | 836,700 | 9.1 | 774,100 | 8.4 | + 8.1% |
| June | 903,800 | 10.1 | 650,800 | 7.3 | +38.9% |
| July | 791,600 | 9.7 | 629,600 | 7.4 | +25.7% |
| August | 740,600 | 8.9 | 609,000 | 7.5 | +21.6% |
| September | 704,800 | 9.2 | 671,400 | 8.5 | + 5.0% |
| October | 860,800 | 9.8 | 656,400 | 7.7 | +31.1% |
| November | 781,700 | 9.5 | 743,500 | 9.0 | + 5.1% |
| December | 751,800 | 10.5 | 632,100 | 8.6 | +18.9% |
| Full Year | 9,180,900 | 9.2 | 7,979,700 | 7.9 | +15.1% |

*Seasonally Adjusted Annual Rate

## Average Number of New Cars Sold per Dealer and Average Selling Price per Vehicle

| Year | New Cars Sold | Average Vehicle Selling Price |
|---|---|---|
| 1973 | 381 | $ 3,930 |
| 1974 | 300 | 4,390 |
| 1975 | 295 | 4,750 |
| 1976 | 346 | 5,470 |
| 1977 | 385 | 6,120 |
| 1978 | 391 | 6,470 |
| 1979 | 373 | 6,950 |
| 1980 | 327 | 7,530 |
| 1981 | 326 | 8,850 |
| 1982 | 316 | 9,910 |
| 1983 | 373 | 10,725 |

Source: NADA Industry Analysis Department

## New Car Inventories & Days Supplies (Yearly Average)

| | Domestic | | Import | |
|---|---|---|---|---|
| | Inventory | Days Supply | Inventory | Days Supply |
| 1974 | 1,605,000 | 68 | 477,100 | 104 |
| 1975 | 1,514,000 | 67 | 406,700 | 80 |
| 1976 | 1,465,000 | 55 | 536,000 | 111 |
| 1977 | 1,682,000 | 58 | 430,700 | 64 |
| 1978 | 1,804,000 | 61 | 606,900 | 93 |
| 1979 | 1,891,000 | 70 | 502,200 | 63 |
| 1980 | 1,506,000 | 71 | 458,100 | 55 |
| 1981 | 1,457,000 | 74 | 427,300 | 52 |
| 1982 | 1,294,000 | 71 | 380,800 | 54 |
| 1983 | 1,209,000 | 55 | 259,800 | 34 |

Source: Ward's Automotive Reports

# The Used Vehicle Department

In 1983, the used vehicle department accounted for over twenty-two percent of the average dealership's total sales volume. The used vehicle department is different than new vehicle departments in that franchised dealers represent only one segment of a selling market that also includes used car dealers and private transactions. Estimates of the percent of the retail used vehicle market currently accounted for by each type of seller are—franchised new car dealers 33%, independent used car dealers 14%, and private transactions 53%. Historically, an increasing share of the market has been accounted for by private transactions. Government figures indicate that private transactions represented only 43% of the retail used vehicle market in 1973.

Franchised dealers obtain used vehicles from six major sources. NADA surveys indicate that the source of used cars retailed by franchised dealers during 1983 were as follows:

| | |
|---|---|
| trade-in on new vehicle | 53% |
| trade-in on used vehicle | 19% |
| street purchase | 11% |
| broker's wholesale | 7% |
| auction purchase | 7% |
| company vehicle | 3% |

**Used Vehicles Sales by Franchised New Car Dealers**
**(In thousands)**

| Year | Retail | Wholesale | Total |
|---|---|---|---|
| 1974 | 8,625 | 2,023 | 10,648 |
| 1975 | 9,137 | 2,144 | 11,281 |
| 1976 | 10,035 | 2,478 | 12,513 |
| 1977 | 10,097 | 2,847 | 12,944 |
| 1978 | 9,903 | 3,127 | 13,030 |
| 1979 | 8,804 | 2,810 | 11,614 |
| 1980 | 7,818 | 2,469 | 10,287 |
| 1981 | 8,178 | 2,582 | 10,760 |
| 1982 | 7,959 | 2,500 | 10,459 |
| 1983 | 8,508 | 2,687 | 11,195 |
| Average '74-'83 | 8,906 | 2,567 | 11,473 |

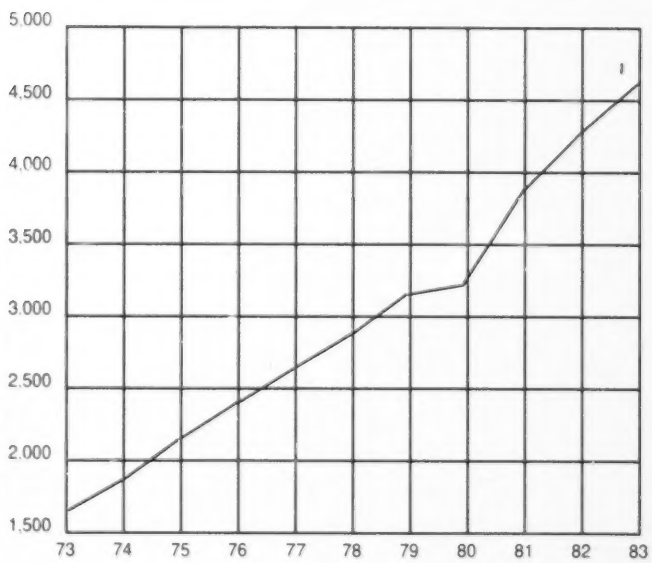
Source: NADA Industry Analysis Department

**Average Selling Price of Used Cars Retailed by Franchised New Car Dealers**

| | |
|---|---|
| 1974 | $1,850 |
| 1975 | 2,200 |
| 1976 | 2,400 |
| 1977 | 2,690 |
| 1978 | 2,930 |
| 1979 | 3,200 |
| 1980 | 3,380 |
| 1981 | 3,850 |
| 1982 | 4,300 |
| 1983 | 4,650 |

Source: NADA Industry Analysis Department

**Average Selling Price Used Cars Retailed by Franchised New Car Dealerships**



# The Service and Parts Departments

In 1983, the total service and parts market accounted for over $83 billion in sales. An estimated $28 billion was spent on service labor, $40 billion on parts and accessories, and $15 billion on tires.

Presented below is a breakdown of service and parts sales by type of outlet for 1978 through 1983. Franchised new car dealerships accounted for 30% of total service and parts sales in 1983, even though they accounted for only 8% of total auto repair facilities. This disproportionate market share reflects the dealer's propensity to do more difficult and more expensive repairs, as well as the fact that new car dealerships have larger facilities on average.

Contrary to last year, most of the increase in dealership service and parts sales in 1983 resulted from increased work, not increased prices. The average dealer in 1983 had a 4% increase in dollar sales per repair order and an 8% increase in the number of repair orders written. Because of the decline in the average number of dealerships in operation during 1983, the total number of repair orders written by all dealers showed a smaller increase—5.5%.

## Number of Auto Repair Facilities 1983

| | |
|---|---|
| Franchised New Car Dealerships | 24,725 |
| Auto Repair Shops* | 180,000 |
| TBA Dealers | 20,000 |
| Service Stations† | 70,000 |
| Mass Merchandisers | 2,800 |
| All Other | 1,500 |
| **Total** | **299,025** |

*Includes independent and franchised repair shops

†Includes only those outlets that perform "significant" repair work. (i.e., those establishments that perform work beyond simple oil changes or lube jobs and/or those establishments that receive at least 2% of total dollar revenue from service labor.

Source: NADA Industry Analysis Department

## Total Service and Parts Market (Billions of Dollars)

| | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 |
|---|---|---|---|---|---|---|
| Franchised New Car Dealerships | $20.2 | $22.6 | $21.8 | $21.9 | $22.9 | $25.1 |
| Auto Repair Shops* | 15.2 | 17.7 | 18.8 | 19.9 | 21.0 | 23.1 |
| Tire, Battery, and Accessory Dealers | 11.4 | 13.0 | 14.3 | 15.4 | 16.1 | 17.6 |
| Gasoline Service Stations | 5.5 | 5.9 | 6.5 | 6.9 | 7.2 | 7.8 |
| Mass Merchandisers | 5.6 | 6.0 | 6.2 | 6.8 | 7.0 | 7.6 |
| All Others** | 1.7 | 1.8 | 1.8 | 1.9 | 2.0 | 2.0 |
| **Total** | **59.6** | **67.0** | **69.4** | **72.8** | **76.2** | **83.2** |

*Includes independent and franchised repair shops.

**Includes non-franchised dealers, farm equipment dealers, and fleet shops.

Note: Revenue for each type of repair facility includes tire sales.

Source: NADA Industry Analysis Department and U.S. Bureau of Census.

## Franchised New Car Dealer Service and Parts (Millions of Dollars)

| Service Labor Sales | 1982 | 1983 | Percent Change |
|---|---|---|---|
| Customer Mechanical | 3,796 | 4,101 | 8.0 |
| Customer Body | 1,713 | 1,801 | 5.1 |
| Warranty | 1,180 | 1,395 | 18.2 |
| Sublet | 790 | 874 | 10.6 |
| Internal | 1,304 | 1,447 | 11.0 |
| Other | 732 | 791 | 8.1 |
| Total Service Labor | 9,515 | 10,409 | 9.4 |
| **Parts Sales** | | | |
| Customer Mechanical | 2,736 | 2,998 | 9.6 |
| Customer Body | 1,703 | 1,849 | 8.6 |
| Wholesale | 4,507 | 4,773 | 5.9 |
| Counter | 1,100 | 1,223 | 11.2 |
| Warranty | 1,288 | 1,591 | 23.5 |
| Internal | 1,288 | 1,473 | 14.4 |
| Other | 791 | 825 | 4.3 |
| Total Parts | 13,413 | 14,733 | 9.8 |
| Total Service & Parts | $22,928 | $25,142 | 9.7 |

Source: NADA Industry Analysis Department

# Employment and Payrolls

Dealerships are often one of the major employers in their local communities, therefore, it was a welcomed sign when dealers began to rebuild their payrolls after four years of consecutive decline. The total number of people employed by dealerships in 1983 was 2.4% greater than in 1982, but 17.2% fewer than were employed in 1978.

The number and type of employees varies significantly among dealerships depending upon dealership characteristics such as size, location, primary make, and the distribution of sales among departments. It is estimated, however, that the total employment count of all dealerships in 1983 was distributed as follows:

| | |
|---|---|
| New and used salespersons | 146,300 |
| Mechanics | 192,700 |
| Service and parts workers (other than mechanics) | 202,000 |
| Supervisors, general office workers and others | 172,700 |
| Total | 713,700 |

The average dealer in 1983 employed 29 persons and had an annual payroll of $545,000. The annual payroll of all dealerships totaled 13.4 billion dollars and represented 9.4% of the total retail trade payroll in the nation.

## Estimated Numbers of Employees of Franchised New Car Dealers

**Annual Averages**

| Year | Total Number For All Dealers | Average Number Per Dealer |
|---|---|---|
| 1973 | 768,500 | 26 |
| 1974 | 725,000 | 24 |
| 1975 | 728,000 | 25 |
| 1976 | 765,300 | 26 |
| 1977 | 810,400 | 28 |
| 1978 | 861,800 | 30 |
| 1979 | 837,300 | 29 |
| 1980 | 753,700 | 27 |
| 1981 | 711,600 | 27 |
| 1982 | 697,300 | 28 |
| 1983 | 713,700 | 29 |

Source: NADA Industry Analysis Department

## Estimated Number of Employees of Franchised New Car Dealers

**1983 Averages by State**

| | Total Number All Dealers | Average Number Per Dealer |
|---|---|---|
| Alabama | 10,572 | 31 |
| Alaska | 1,163 | 42 |
| Arizona | 9,775 | 54 |
| Arkansas | 5,925 | 17 |
| California | 76,347 | 43 |
| Colorado | 11,771 | 41 |
| Connecticut | 10,867 | 31 |
| Delaware | 2,146 | 32 |
| D.C. | 485 | 54 |
| Florida | 38,991 | 52 |
| Georgia | 19,072 | 32 |
| Hawaii | 2,446 | 42 |
| Idaho | 3,207 | 20 |
| Illinois | 30,643 | 24 |
| Indiana | 15,387 | 24 |
| Iowa | 10,103 | 16 |
| Kansas | 8,747 | 20 |
| Kentucky | 9,333 | 26 |
| Louisiana | 13,619 | 36 |
| Maine | 4,042 | 21 |
| Maryland | 16,057 | 45 |
| Massachusetts | 18,419 | 32 |
| Michigan | 28,152 | 30 |
| Minnesota | 13,349 | 22 |
| Mississippi | 6,816 | 21 |
| Missouri | 15,261 | 23 |
| Montana | 3,215 | 16 |
| Nebraska | 5,332 | 16 |
| Nevada | 3,157 | 42 |
| New Hampshire | 4,106 | 25 |
| New Jersey | 20,051 | 27 |
| New Mexico | 4,437 | 30 |
| New York | 35,735 | 26 |
| North Carolina | 19,336 | 28 |
| North Dakota | 3,225 | 15 |
| Ohio | 32,061 | 28 |
| Oklahoma | 12,183 | 27 |
| Oregon | 9,581 | 31 |
| Pennsylvania | 36,004 | 23 |
| Rhode Island | 2,371 | 26 |
| South Carolina | 8,962 | 30 |
| South Dakota | 2,761 | 16 |
| Tennessee | 14,114 | 32 |
| Texas | 51,261 | 33 |
| Utah | 4,360 | 28 |
| Vermont | 2,012 | 19 |
| Virginia | 21,233 | 36 |
| Washington | 11,973 | 31 |
| West Virginia | 6,112 | 22 |
| Wisconsin | 15,384 | 20 |
| Wyoming | 2,039 | 21 |
| **Total U.S.** | **713,700** | **29** |

Source: NADA Industry Analysis Dept.

## Annual Payroll of Franchised New Car Dealerships

### 1983 Year by State

| | Total of All Dealerships ($ Millions) | Average Per Dealership ($ Thousands) |
|---|---|---|
| Alabama | 177 | 518 |
| Alaska | 31 | 1,094 |
| Arizona | 192 | 1,062 |
| Arkansas | 93 | 273 |
| California | 1,690 | 944 |
| Colorado | 239 | 840 |
| Connecticut | 206 | 579 |
| Delaware | 38 | 572 |
| D.C. | 10 | 1,128 |
| Florida | 779 | 1,031 |
| Georgia | 358 | 598 |
| Hawaii | 44 | 764 |
| Idaho | 52 | 321 |
| Illinois | 611 | 477 |
| Indiana | 259 | 410 |
| Iowa | 162 | 264 |
| Kansas | 149 | 344 |
| Kentucky | 148 | 409 |
| Louisiana | 246 | 651 |
| Maine | 64 | 335 |
| Maryland | 314 | 878 |
| Massachusetts | 337 | 581 |
| Michigan | 554 | 591 |
| Minnesota | 242 | 405 |
| Mississippi | 107 | 325 |
| Missouri | 278 | 424 |
| Montana | 52 | 266 |
| Nebraska | 86 | 259 |
| Nevada | 72 | 963 |
| New Hampshire | 71 | 440 |
| New Jersey | 411 | 561 |
| New Mexico | 76 | 508 |
| New York | 677 | 486 |
| North Carolina | 326 | 467 |
| North Dakota | 56 | 263 |
| Ohio | 568 | 487 |
| Oklahoma | 232 | 508 |
| Oregon | 170 | 553 |
| Pennsylvania | 608 | 386 |
| Rhode Island | 40 | 445 |
| South Carolina | 143 | 479 |
| South Dakota | 43 | 246 |
| Tennessee | 242 | 555 |
| Texas | 1,036 | 665 |
| Utah | 78 | 509 |
| Vermont | 32 | 306 |
| Virginia | 381 | 654 |
| Washington | 239 | 616 |
| West Virginia | 92 | 326 |
| Wisconsin | 269 | 345 |
| Wyoming | 35 | 352 |
| **Total U.S.** | **13,418** | **545** |

## Average Weekly Earnings of Franchised New Car Dealer Employees in 1983

| | | | |
|---|---|---|---|
| Alabama | 322 | Montana | 312 |
| Alaska | 507 | Nebraska | 309 |
| Arizona | 378 | Nevada | 440 |
| Arkansas | 301 | New Hampshire | 334 |
| California | 426 | New Jersey | 394 |
| Colorado | 390 | New Mexico | 328 |
| Connecticut | 365 | New York | 364 |
| Delaware | 343 | North Carolina | 324 |
| D.C. | 402 | North Dakota | 333 |
| Florida | 384 | Ohio | 340 |
| Georgia | 361 | Oklahoma | 366 |
| Hawaii | 348 | Oregon | 342 |
| Idaho | 314 | Pennsylvania | 325 |
| Illinois | 383 | Rhode Island | 328 |
| Indiana | 324 | South Carolina | 307 |
| Iowa | 309 | South Dakota | 299 |
| Kansas | 328 | Tennessee | 330 |
| Kentucky | 305 | Texas | 389 |
| Louisiana | 348 | Utah | 344 |
| Maine | 306 | Vermont | 311 |
| Maryland | 376 | Virginia | 345 |
| Massachusetts | 352 | Washington | 385 |
| Michigan | 379 | West Virginia | 288 |
| Minnesota | 348 | Wisconsin | 337 |
| Mississippi | 303 | Wyoming | 326 |
| Missouri | 351 | **Total U.S.** | **362** |

Source: NADA Industry Analysis Department

## Annual Payroll of Franchised New Car Dealerships

| Year | Total of all Dealerships (Billions of $) | Average Per Dealership (Thousands of $) |
|---|---|---|
| 1974 | 7.75 | 260 |
| 1975 | 8.40 | 285 |
| 1976 | 9.56 | 327 |
| 1977 | 10.96 | 377 |
| 1978 | 12.16 | 420 |
| 1979 | 12.12 | 425 |
| 1980 | 11.86 | 433 |
| 1981 | 12.24 | 468 |
| 1982 | 12.50 | 496 |
| 1983 | 13.42 | 545 |

Source: NADA Industry Analysis Department

## Average Weekly Earnings of Dealership Employees

| | | | |
|---|---|---|---|
| 1974 | $206 | 1979 | $278 |
| 1975 | $222 | 1980 | $303 |
| 1976 | $240 | 1981 | $331 |
| 1977 | $260 | 1982 | $345 |
| 1978 | $271 | 1983 | $362 |

Source: NADA Industry Analysis Department

# Advertising and The Franchised Dealership

In 1983, franchised new car and truck dealers spent $1.6 billion on advertising—an increase of 20% from the 1982 level. Advertising expenditures as a percent of total sales decreased slightly from .92% in 1982 to .90% in 1983. The table below shows that throughout the Eighties the advertising to sales ratio has been significantly higher than during the Seventies. Much of this increase was, of course, the result of the decline in total dollar sales growth. Another contributing factor has been the shift in the distribution of dealers across volume categories. (Large volume dealerships, which traditionally have higher advertising to sales ratios, now represent a greater share of the total market than they did in the late Seventies.) Compounding the effect of both these factors has been the strengthening in the postive relation between advertising intensity and dealership size. Note, for example, that Group 1 dealers actually had lower advertising to sales ratios in the Eighties than during the Seventies.

## Advertising as a Percent of Total Dollar Sales

| | 1983 | 1982 | 1981 | 1980 | 1979 | 1978 | 1977 |
|---|---|---|---|---|---|---|---|
| Weighted Average of all Dealers | 0.90 | 0.92 | 0.93 | 0.89 | 0.76 | 0.78 | 0.78 |
| By Annual New Unit Sales Group | | | | | | | |
| I (0-149) | 0.57 | 0.67 | 0.66 | 0.66 | 0.72 | 0.77 | 0.75 |
| II (150-399) | 0.67 | 0.77 | 0.80 | 0.74 | 0.70 | 0.75 | 0.74 |
| III (400-749) | 0.91 | 0.96 | 0.86 | 0.94 | 0.82 | 0.78 | 0.81 |
| IV (750 or more) | 1.07 | 1.08 | 1.08 | 1.01 | 0.92 | 0.87 | 0.85 |

### Advertising Expenditures by Medium

Much of the increase in advertising intensity by large volume dealers has occurred because of their switch to a more expensive medium (i.e. television). The table below shows that virtually all of the growth in television advertising by dealers has been the result of the increased use of this medium by large volume dealers.

## Local Advertising by Franchised New Car Dealers

**Estimated Totals Spent in 1983 by All Dealers**

| | |
|---|---|
| **By Media Used** | |
| Newspapers | 924 Million |
| Radio | 387 Million |
| TV | 134 Million |
| Direct Mail | 71 Million |
| Outdoor (Billboards, Signs) | 33 Million |
| Programs (Theatre, Spor;ts, School, etc.) | 15 Million |
| Handouts or Handbills | 7 Million |
| Display & Demonstrations | 19 Million |
| Other | 15 Million |
| **Total** | **$1,605 Million** |
| **By Type of Advertising** | |
| New Vehicle | 819 Million |
| Used Vehicle | 465 Million |
| Institutional | 161 Million |
| Service | 160 Million |
| **Total** | **$1,605 Million** |

### Estimated Average Expenses per Dealer in 1983

**Dealers Classified by Number of New Vehicles Sold in 1983**

| By Media Used | Average of All Dealers | 1-149 | 150-399 | 400-749 | 750 or More |
|---|---|---|---|---|---|
| Newspapers | $37,557 | $ 7,459 | $19,712 | $52,374 | $131,849 |
| Radio | 15,727 | 3,280 | 9,257 | 19,578 | 38,950 |
| TV | 5,464 | 495 | 2,529 | 10,147 | 45,422 |
| Direct Mail | 2,895 | 506 | 1,484 | 3,594 | 8,905 |
| Outdoor (Billboards, Signs) | 1,337 | 294 | 627 | 1,345 | 4,771 |
| Programs (Theatre, Sports, Schools, etc.) | 613 | 108 | 376 | 869 | 1,795 |
| Handsouts & Handbills | 267 | 77 | 105 | 134 | 685 |
| Display & Demonstrations | 763 | 142 | 460 | 1,067 | 2,102 |
| Other | 580 | 222 | 290 | 529 | 1,724 |
| **Total** | **$65,203** | **$12,683** | **$34,840** | **$89,635** | **$236,203** |
| Total Local Advertising Expenses As a % of Total Sales | 0.90% | 0.57% | 0.67% | 0.91% | 1.07% |
| Total Local Advertising Expenses Per New Vehicle Sold | $147 | $110 | $114 | $147 | $164 |

| | Newspaper | | | Radio | | | Television | | | All Other | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1983 | 1982 | 1976 | 1983 | 1982 | 1976 | 1983 | 1982 | 1976 | 1983 | 1982 | 1976 |
| Weighted Average of all Dealers | 57.6 | 58.7 | 56.2 | 24.1 | 23.5 | 22.6 | 8.4 | 7.8 | 6.8 | 9.9 | 10.1 | 14.4 |
| By Annual New Unite Sales Group | | | | | | | | | | | | |
| I (0-149) | 58.9 | 58.1 | 56.7 | 25.9 | 24.7 | 21.8 | 3.9 | 4.1 | 4.0 | 11.4 | 13.1 | 17.5 |
| II (150-399) | 56.6 | 60.1 | 55.7 | 26.6 | 25.4 | 25.7 | 7.3 | 6.2 | 5.3 | 9.5 | 8.3 | 13.3 |
| III (400-749) | 58.4 | 59.3 | 55.8 | 21.8 | 20.3 | 22.0 | 11.3 | 11.9 | 10.0 | 8.5 | 8.5 | 12.3 |
| IV (750 or more) | 55.8 | 56.4 | 53.2 | 16.5 | 19.2 | 19.5 | 19.2 | 17.5 | 14.9 | 8.5 | 6.9 | 12.4 |

# Consumer Credit

In recent years potential automobile purchasers have become increasingly sensitive to the level of retail financing rates. Accordingly, the decline in rates in 1983 was instrumental in stimulating the recovery in new vehicle sales.

During the unprecedented increase in interest rates in 1980 and 1981, the average prime rate actually exceeded the average finance rate on new car loans. As a result, banks sharply curtailed their lending activities in the retail automotive loan market. As shown in the charts below, the amount of automobile paper held by banks declined in both 1980 and 1981. With the general decline in interest rates since 1981, the positive spread between the average auto loan rate and the prime rate has returned. This, coupled with the effects of increased bank deregulation, has renewed banker interest in providing retail auto loans. Banks accounted for 82% of the growth in automobile paper outstanding in 1983.

### Average Finance Rate on New Car Loans

| | At Finance Companies | At Banks | Average Prime Rate |
|---|---|---|---|
| 1973 | 12.1% | 10.2% | 8.0% |
| 1974 | 12.6% | 11.0% | 10.8% |
| 1975 | 13.1% | 11.4% | 7.9% |
| 1976 | 13.2% | 11.1% | 6.8% |
| 1977 | 13.1% | 10.9% | 6.8% |
| 1978 | 13.1% | 11.0% | 9.1% |
| 1979 | 13.5% | 12.0% | 12.7% |
| 1980 | 14.8% | 14.3% | 15.3% |
| 1981 | 15.9% | 16.5% | 18.9% |
| 1982 | 16.2% | 16.8% | 14.9% |
| 1983 | 12.6% | 13.9% | 10.8% |

Note: Bank series represents an average of direct 36 month loans for the period 1973-1982. For 1983, the bank series represents the average of direct 48 month loans. The finance company series represents the average of all loans made.

Source: Federal Reserve Board

### Automobile Paper Outstanding By Type of Lender
**As of End of Year/In Millions of Dollars**

| | Commercial Banks | | Credit Unions | | Finance Companies | | Total |
|---|---|---|---|---|---|---|---|
| | Total $ Amount | % of Total | Total $ Amount | % of Total | Total $ Amount | % of Total | |
| 1973 | $33,287 | 61.9% | $ 9,746 | 18.1% | $10,739 | 20.0% | $ 53,772 |
| 1974 | 32,774 | 60.4% | 10,869 | 20.0% | 10,623 | 19.6% | 54,266 |
| 1975 | 33,287 | 58.2% | 12,741 | 22.3% | 11,214 | 19.6% | 57,242 |
| 1976 | 39,621 | 58.5% | 15,238 | 22.5% | 12,848 | 19.0% | 67,707 |
| 1977 | 49,577 | 59.8% | 18,099 | 21.8% | 15,235 | 18.4% | 82,911 |
| 1978 | 60,510 | 59.5% | 21,200 | 20.9% | 19,937 | 19.6% | 101,647 |
| 1979 | 67,367 | 57.9% | 22,244 | 19.1% | 26,751 | 23.0% | 116,362 |
| 1980 | 61,536 | 52.7% | 21,060 | 18.0% | 34,242 | 29.3% | 116,838 |
| 1981 | 58,081 | 46.3% | 21,975 | 17.5% | 45,275 | 36.1% | 125,331 |
| 1982 | 56,851 | 45.2% | 22,596 | 17.4% | 48,780 | 37.5% | 130,227 |
| 1983 | 71,778 | 49.1% | 25,574 | 17.5% | 48,726 | 33.4% | 146,078 |

Source: Federal Reserve Board

### Consumer Installment Credit Outstanding
**At End of Year (Billions of Dollars)**

| Year | Total ($Billions) | Auto Paper ($Billions) | Auto Paper as Percent of Total |
|---|---|---|---|
| 1973 | 155.1 | 53.8 | 34.7% |
| 1974 | 164.6 | 54.3 | 33.0% |
| 1975 | 172.4 | 57.2 | 33.2% |
| 1976 | 194.0 | 67.7 | 34.9% |
| 1977 | 230.6 | 82.9 | 36.0% |
| 1978 | 273.6 | 101.6 | 37.1% |
| 1979 | 312.0 | 116.4 | 37.3% |
| 1980 | 313.5 | 116.8 | 37.3% |
| 1981 | 331.7 | 125.3 | 37.8% |
| 1982 | 344.8 | 130.2 | 37.8% |
| 1983 | 387.9 | 146.1 | 37.7% |

Source: Federal Reserve Board

### Percent Change In Automobile Paper Outstanding
**By Type of Lender**

| | Commercial Banks | Credit Unions | Finance Companies |
|---|---|---|---|
| 1973 | 15.1% | 15.7% | 2.1% |
| 1974 | -1.5% | 11.5% | -1.1% |
| 1975 | 1.6% | 17.2% | 5.6% |
| 1976 | 19.0% | 19.6% | 14.6% |
| 1977 | 25.1% | 18.8% | 18.6% |
| 1978 | 22.1% | 17.1% | 30.9% |
| 1979 | 11.3% | 4.9% | 34.2% |
| 1980 | -8.7% | -5.3% | 28.0% |
| 1981 | -5.6% | 4.3% | 32.2% |
| 1982 | 1.3% | 2.8% | 7.7% |
| 1983 | 22.0% | 13.2% | -0.1% |

Source: Federal Reserve Board

# Vehicles in Operation and Scrappage

Over the past ten years, the total number of motor vehicles in operation has increased by 28%. Trucks and buses in operation have increased by 53% while automobiles have increased by 23%. The recent stagnation in the economy and the long term decline in the population growth rate, have resulted in a slowing of the rate of increase for vehicles in operation. The compound annual growth rate of automobles in operation for various time periods is presented below.

| | |
|---|---|
| 1960-1965 | 3.7% |
| 1965-1970 | 4.1% |
| 1970-1975 | 4.0% |
| 1975-1980 | 2.8% |
| 1980-1984 | 1.1% |

## Vehicles in Operation as of January 1

| | Automobiles | Trucks & Buses | Total |
|---|---|---|---|
| 1974 | 96,098,000 | 22,330,000 | 118,428,000 |
| 1975 | 98,356,000 | 23,788,000 | 122,144,000 |
| 1976 | 100,326,000 | 25,132,000 | 125,458,000 |
| 1977 | 101,338,000 | 26,506,000 | 127,844,000 |
| 1978 | 105,504,000 | 28,153,000 | 133,657,000 |
| 1979 | 109,800,000 | 30,322,000 | 140,122,000 |
| 1980 | 112,863,000 | 31,635,000 | 144,498,000 |
| 1981 | 114,921,000 | 32,761,000 | 147,682,000 |
| 1982 | 115,855,000 | 33,328,000 | 149,183,000 |
| 1983 | 116,356,000 | 33,515,000 | 149,871,000 |
| 1984 | 117,863,000 | 34,100,000 | 151,963,000 |

Source: NADA Industry Analysis Department

The scrappage tables below confirm what the vehicles in operation statistics indicate. Namely, that the new vehicle market has increasingly become more of a replacement market and less of a growth market.

## Estimated Auto Scrappage

| Year | Estimated Cars Scrapped During Year | Scrappage as a % of in Operation at Beginning of Year | Scrappage as a % of New Car Registrations |
|---|---|---|---|
| 1974 | 6,542,000 | 6.8 | 74.3 |
| 1975 | 6,387,000 | 6.5 | 76.4 |
| 1976 | 6,750,000 | 6.7 | 68.4 |
| 1977 | 6,784,000 | 6.7 | 62.0 |
| 1978 | 6,775,000 | 6.4 | 61.2 |
| 1979 | 6,385,000 | 6.7 | 70.7 |
| 1980 | 6,803,000 | 6.0 | 76.8 |
| 1981 | 7,607,000 | 6.6 | 89.1 |
| 1982 | 7,342,000 | 6.3 | 93.6 |
| 1983 | 7,519,000 | 6.5 | 83.3 |
| Average '74-'83 | 6,989,000 | 6.5 | 75.6 |

Source: NADA Industry Analysis Department

## Cars and Population

| Year | Estimated Population Residing in U.S. (At End of Year) (Millions) | Estimated Passenger Cars in Operation (At End of Year) (Millions) | Persons Per Car |
|---|---|---|---|
| 1910 | 92.6 | .5 | 202 |
| 1920 | 106.8 | 8.0 | 13 |
| 1930 | 123.4 | 20.4 | 6.0 |
| 1940 | 133.3 | 25.8 | 5.2 |
| 1950 | 153.6 | 37.6 | 4.1 |
| 1960 | 182.2 | 57.6 | 3.2 |
| 1970 | 206.0 | 82.9 | 2.5 |
| 1975 | 214.3 | 100.3 | 2.1 |
| 1980 | 228.8 | 114.9 | 2.0 |
| 1985 | 237.5 | 121.9 | 1.9 |
| 1990 | 248.5 | 134.9 | 1.8 |
| 1995 | 258.3 | 150.1 | 1.7 |
| 2000 | 266.6 | 166.1 | 1.6 |
| 2005 | 274.0 | 180.7 | 1.5 |

Source: U.S. Bureau of the Census and NADA Industry Analysis Department

## Estimated Truck and Bus Scrappage

| Year | Estimated Number of Trucks & Buses Scrapped During Year | Scrappage as a % of Total Trucks Buses In Operation at Beginning of Year | Scrappage as a % of New Truck & Bus Registrations |
|---|---|---|---|
| 1974 | 1,257,000 | 5.6 | 46.3 |
| 1975 | 1,106,000 | 4.6 | 45.1 |
| 1976 | 1,751,000 | 7.0 | 56.0 |
| 1977 | 1,940,000 | 7.3 | 54.1 |
| 1978 | 1,881,000 | 6.7 | 46.4 |
| 1979 | 1,920,000 | 6.3 | 54.1 |
| 1980 | 1,405,000 | 4.4 | 55.5 |
| 1981 | 1,667,000 | 5.1 | 74.6 |
| 1982 | 2,297,000 | 6.9 | 92.5 |
| 1983 | 2,457,000 | 7.3 | 80.8 |
| Average '74-'83 | 1,768,000 | 6.1 | 60.5 |

Source: NADA Industry Analysis Department

# Total Registrations

## Total U.S. Motor Vehicle Registrations in 1983

| | Autos | Trucks and Buses | Total Vehicles* | | Autos | Trucks and Buses | Total Vehicles* |
|---|---|---|---|---|---|---|---|
| Alabama | 2,197,000 | 881,000 | 3,078,000 | Montana | 477,000 | 306,000 | 783,000 |
| Alaska | 214,000 | 126,000 | 340,000 | Nebraska | 814,000 | 415,000 | 1,229,000 |
| Arizona | 1,648,000 | 660,000 | 2,308,000 | Nevada | 519,000 | 200,000 | 719,000 |
| Arkansas | 955,000 | 511,000 | 1,466,000 | New Hampshire | 666,000 | 115,000 | 781,000 |
| California | 14,016,000 | 3,782,000 | 17,798,000 | New Jersey | 4,402,000 | 538,000 | 4,940,000 |
| Colorado | 1,847,000 | 669,000 | 2,516,000 | New Mexico | 806,000 | 428,000 | 1,234,000 |
| Connecticut | 2,119,000 | 161,000 | 2,280,000 | New York | 7,180,000 | 1,097,000 | 8,277,000 |
| Delaware | 339,000 | 84,000 | 423,000 | North Carolina | 3,468,000 | 1,120,000 | 4,588,000 |
| Dist. Of Col. | 211,000 | 18,000 | 229,000 | North Dakota | 386,000 | 279,000 | 665,000 |
| Florida | 7,299,000 | 1,655,000 | 8,954,000 | Ohio | 6,305,000 | 1,291,000 | 7,596,000 |
| Georgia | 3,031,000 | 941,000 | 3,972,000 | Oklahoma | 1,811,000 | 1,029,000 | 2,840,000 |
| Hawaii | 532,000 | 61,000 | 593,000 | Oregon | 1,463,000 | 622,000 | 2,085,000 |
| Idaho | 530,000 | 360,000 | 890,000 | Pennsylvania | 5,613,000 | 1,123,000 | 6,736,000 |
| Illinois | 5,840,000 | 1,416,000 | 7,256,000 | Rhode Island | 505,000 | 80,000 | 585,000 |
| Indiana | 2,873,000 | 1,009,000 | 3,882,000 | South Carolina | 1,594,000 | 451,000 | 2,045,000 |
| Iowa | 1,664,000 | 692,000 | 2,356,000 | South Dakota | 384,000 | 243,000 | 627,000 |
| Kansas | 1,398,000 | 699,000 | 2,097,000 | Tennessee | 2,746,000 | 607,000 | 3,353,000 |
| Kentucky | 1,817,000 | 816,000 | 2,633,000 | Texas | 8,110,000 | 3,517,000 | 11,627,000 |
| Louisiana | 2,036,000 | 782,000 | 2,818,000 | Utah | 723,000 | 325,000 | 1,048,000 |
| Maine | 568,000 | 202,000 | 770,000 | Vermont | 271,000 | 82,000 | 353,000 |
| Maryland | 2,453,000 | 480,000 | 2,933,000 | Virginia | 3,144,000 | 545,000 | 3,689,000 |
| Massachusetts | 3,298,000 | 451,000 | 3,749,000 | Washington | 2,286,000 | 931,000 | 3,217,000 |
| Michigan | 5,007,000 | 1,331,000 | 6,338,000 | West Virginia | 802,000 | 340,000 | 1,142,000 |
| Minnesota | 2,347,000 | 980,000 | 3,327,000 | Wisconsin | 2,570,000 | 633,000 | 3,203,000 |
| Mississippi | 1,230,000 | 380,000 | 1,610,000 | Wyoming | 303,000 | 219,000 | 522,000 |
| Missouri | 2,565,000 | 874,000 | 3,439,000 | TOTAL | 125,382,000 | 36,557,000 | 161,939,000 |

*Total Vehicle Excludes Motorcycles (5,779,000)
Source: Department of Transportation, Federal Highway Administration

## Total U.S. Motor Vehicle Registrations

| | Autos | Trucks & Buses | Total Vehicles |
|---|---|---|---|
| 1975 | 106,713,000 | 26,238,000 | 132,951,000 |
| 1976 | 110,189,000 | 28,257,000 | 138,446,000 |
| 1977 | 112,288,000 | 30,093,000 | 142,381,000 |
| 1978 | 116,575,000 | 32,203,000 | 148,778,000 |
| 1979 | 120,248,000 | 33,870,000 | 154,118,000 |
| 1980 | 121,724,000 | 34,166,000 | 155,890,000 |
| 1981 | 123,462,000 | 34,995,000 | 158,457,000 |
| 1982 | 123,698,000 | 35,812,000 | 159,510,000 |
| 1983 | 125,382,000 | 36,557,000 | 161,939,000 |

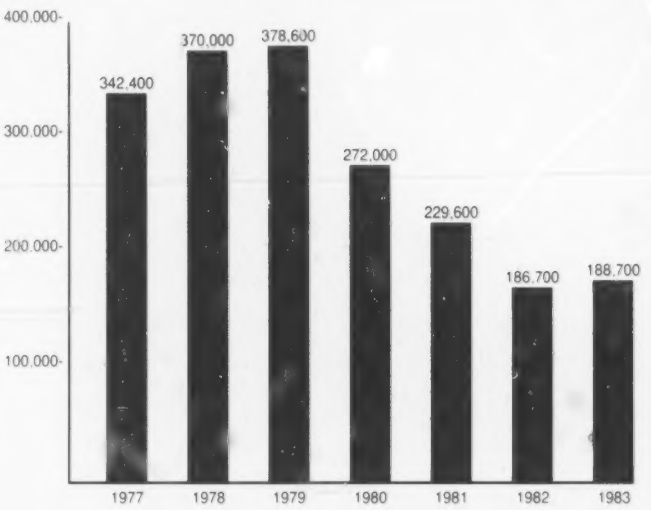
# The Franchised New Truck Dealer

The importance of the trucking industry to the national economy has long been recognized. Revenues generated by highway freight transportation account for about 7% of Gross National Product and pay the salary of one in every ten people employed in the U.S. The economic importance of trucks, however, extends far beyond highway freight transportation. Thousands more jobs and billions more dollars are generated by the manufacture, sale, and service of the medium and heavy-duty trucks that carry the freight.

ATD represents those dealers that are responsible for the sale and service of medium and heavy-duty trucks. While they do sell some light-duty trucks, the information presented here pertains primarily to the medium and heavy-duty truck market. There are an estimated 2,550 dealers handling medium and heavy-duty trucks, and they are represented in Washington and in dealings with their manufacturers by the American Truck Dealers Division (ATD) of NADA.

As shown in the tables that follow, dealerships that are primarily engaged in the sale and service of medium and heavy-duty trucks differ quite substantially from franchised new car dealerships. For example, truck dealerships obtain almost 29% of their total sales dollars from the service and parts department, whereas new car dealerships receive only 14% their sales dollars from the "backshop".

**Medium & Heavy-Duty Trucks**
**Unit Sales**




### New Truck Sales

Trucks are classified by gross vehicle weight into eight categories, as listed below.

| | |
|---|---|
| 1 | 0- 6,000 lbs. |
| 2 | 6,001-10,000 lbs. |
| 3 | 10,001-14,000 lbs. |
| 4 | 14,001-16,000 lbs. |
| 5 | 16,001-19,500 lbs. |
| 6 | 19,501-26,000 lbs. |
| 7 | 26,001-33,000 lbs. |
| 8 | 33,001 lbs. and over |

Groups 1,2, and 3 are light-duty trucks, groups 4, 5, and 6 are medium-duty trucks, and group 7 and 8 are heavy-duty trucks. In 1983, approximately 2,550 truck dealers sold 188,723 medium and heavy-duty trucks, an increase of 2.6% from the number sold in 1982.

**New Truck Sales**
**by Gross Vehicle Weight**

| | 1983 | 1982 | % Change 1982-1983 |
|---|---|---|---|
| Class 1 | 1,329,360 | 1,101,625 | +20.7 |
| Class 2 | 1,206,599 | 961,063 | +25.5 |
| Class 3 | 145 | 1,062 | -86.3 |
| Total Light Duty | 2,536,104 | 2,063,750 | +22.9 |
| Class 4 | 2 | 9 | -77.8 |
| Class 5 | 1,159 | 1,434 | -19.2 |
| Class 6 | 46,532 | 44,214 | + 5.2 |
| Class 7 | 59,383 | 62,488 | - 5.0 |
| Class 8 | 81,647 | 75,777 | + 7.7 |
| Total Medium & Heavy | 188,723 | 183,922 | + 2.6 |
| Total Domestics | 2,724,827 | 2,247,672 | +21.2 |
| Non-Captive Imports | 408,372 | 312,209 | +30.8 |
| **Grand Total** | **3,133,199** | **2,559,881** | **+22.4** |

Source: Ward's Automotive Reports

# Truck Inventories

## 1983 Domestic New Truck Inventories

| | Light-Duty | | Medium/ Heavy-Duty | | Total Trucks | |
|---|---|---|---|---|---|---|
| | Number | Days Supply | Number | Days Supply | Number | Days Supply |
| January | 479,486 | 77 | 39,729 | 71 | 519,215 | 77 |
| February | 501,359 | 76 | 39,925 | 81 | 541,284 | 76 |
| March | 505,057 | 60 | 38,638 | 60 | 543,695 | 60 |
| April | 508,753 | 64 | 37,261 | 64 | 546,014 | 64 |
| May | 511,954 | 57 | 39,194 | 70 | 551,148 | 58 |
| June | 510,307 | 54 | 41,087 | 67 | 551,394 | 54 |
| July | 462,642 | 57 | 35,807 | 53 | 498,449 | 56 |
| August | 474,239 | 69 | 35,243 | 59 | 509,482 | 68 |
| September | 501,099 | 55 | 33,261 | 51 | 534,360 | 55 |
| October | 541,118 | 65 | 34,837 | 56 | 575,955 | 65 |
| November | 572,035 | 63 | 38,279 | 68 | 610,314 | 63 |
| December | 555,194 | 58 | 37,316 | 51 | 592,510 | 58 |
| **1983 Average** | **510,270** | **63** | **37,548** | **63** | **547,818** | **63** |
| **1982 Average** | **514,317** | **79** | **51,230** | **87** | **565,547** | **79** |

**Source: Ward's Automotive Reports**
**Days Supply is calculated by dividing inventories by the daily selling rate.**

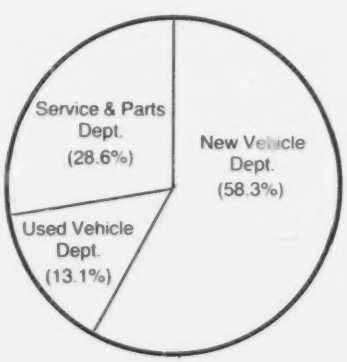
# Truck Dealership Profile

## Total Dollar and New Unit Sales of Medium and Heavy Duty Truck Dealerships

| | 1983 | 1982 | % Change 1982-1983 |
|---|---|---|---|
| Total Dollar Sales | $14,678,173,000 | $14,191,367,000 | +3.4% |
| New Vehicle Dept. | $ 8,557,375,000 | $ 7,918,783,000 | +8.1% |
| Used Vehicle Sales | 1,922,840,000 | 1,859,070,000 | +3.4% |
| Service & Parts Dept. | 4,197,958,000 | 4,413,514,000 | −4.9% |
| Total New Truck Sales | 238,673 | 234,235 | +1.9% |
| Light Duty | 49,850 | 47,462 | +5.0% |
| Medium & Heavy Duty | 188,723 | 186,773 | +1.0% |

Source: NADA Industry Analysis Department

## Distribution of Total Dealership Dollar Sales



## American Truck Dealers Division
## Membership by Listed Franchises
## (As of April, 1984)

| | |
|---|---|
| International | 420 |
| Ford | 391 |
| GMC | 269 |
| Chevrolet | 255 |
| Mack | 113 |
| Freightliner | 112 |
| White | 112 |
| Iveco/Magirus | 104 |
| Volvo | 77 |
| Mercedes | 70 |
| Kenworth | 57 |
| Peterbilt | 54 |
| Dodge | 51 |
| All Others | 38 |
| **Total*** | **2,123** |

*Total exceeds ATD Membership due to multiple franchise outlets.

## American Truck Dealers Division
## Membership By State
## (as of April, 1984)

| | |
|---|---|
| Alabama | 21 |
| Alaska | 2 |
| Arizona | 15 |
| Arkansas | 26 |
| N. California | 33 |
| S. California | 38 |
| Colorado | 17 |
| Connecticut | 22 |
| Delaware | 7 |
| District of Columbia | 1 |
| Florida | 42 |
| Georgia | 26 |
| Hawaii | 2 |
| Idaho | 13 |
| Illinois | 43 |
| Chicago Area | 13 |
| Indiana | 55 |
| Iowa | 33 |
| Kansas | 30 |
| Kentucky | 31 |
| Louisiana | 31 |
| Maine | 19 |
| Maryland | 31 |
| Massachusetts | 31 |
| Michigan | 42 |
| Detroit Area | 14 |
| Minnesota | 46 |
| Mississippi | 15 |
| Missouri | 41 |
| Montana | 11 |
| Nebraska | 23 |
| Nevada | 8 |
| New Hampshire | 13 |
| New Jersey | 45 |
| New Mexico | 10 |
| New York | 64 |
| New York City Area | 18 |
| North Carolina | 56 |
| North Dakota | 19 |
| Ohio | 85 |
| Cleveland Area | 3 |
| Oklahoma | 29 |
| Oregon | 22 |
| E. Pennsylvania | 59 |
| W. Pennsylvania | 46 |
| Rhode Island | 7 |
| South Carolina | 13 |
| South Dakota | 13 |
| Tennessee | 33 |
| N. Texas | 45 |
| S. Texas | 66 |
| Utah | 6 |
| Vermont | 8 |
| Virginia | 52 |
| Washington | 19 |
| W. Virginia | 25 |
| Wisconsin | 61 |
| Wyoming | 7 |
| Canada | 1 |
| Puerto Rico | 1 |
| **Total** | **1,608** |

Source: NADA American Truck Dealers Division

# 1984 Officers of the National Automobile Dealers Association

**James P. Jennings**
*President*

**Anthony Ursomarso**
*Treasurer*

**William J. Symes**
*First Vice President*

**William C. Turnbull**
*Immediate Past President*

**Robert M. Burd**
*Secretary*

**Frank E. McCarthy**
*Executive Vice President*

# 1983 Industry Highlights

| | |
|---|---|
| *Number of franchised new car dealerships (year end) | 24,725 |
| *Total dollar sales | |
| all dealerships | $178.3 billion |
| average dealership | $7,244,815 |
| *Number of new cars sold | |
| all dealerships | 9,180,912 |
| average dealership | 373 |
| *Total employment | |
| all dealerships | 713,700 |
| average dealership | 29 |
| *Total annual payroll | |
| all dealerships | $13.4 billion |
| average dealership | $545,000 |
| *Total local advertising expenditures | |
| all dealerships | $1.6 billion |
| average dealership | $65,203 |
| *Number of vehicles in operation (year end) | 151,963,000 |
| *Number of medium- and heavy-duty trucks sold | 188,723 |

# NATIONAL AUTOMOBILE DEALERS ASSOCIATION

NADA is the national representative for its members to federal legislators, regulators, and policy-makers; international and domestic vehicle manufacturers; the media; and consumers.

The association provides its members with marketing services and counsel on industry relations matters. It provides legal representation for dealers when called upon and operates a number of training services for dealers and their employees.

NADA is the largest retail consulting and service organization in the automotive industry. It offers members specialized services aimed toward improving dealership operations, sales penetration, and customer satisfaction. These services include:

**20 Groups**—forums for same-make dealers meeting regularly to solve mutual problems and to exchange ideas and information.

**Sales Trak**—a customized management program helping dealers improve new and used vehicle sales productivity.

**Service Systems**—highlights the profit potential of the dealership service department. Results of this program are on-time jobs and customer satisfaction.

**Conventions**—the 67th Annual NADA Convention and Exposition was held February 4-7, 1984 in Dallas, Texas with 16,000 attendees and 219 exhibitors. The 1985 convention will be held in San Francisco, California, January 26-29. The 21st Annual ATD Convention and Exposition was held April 7-10, 1984 in Phoenix, Arizona with 1,400 attendees and 52 companies participating in the exposition. The 1985 convention will be held in Washington, D.C., April 20-24.

**Dealer Candidate Academy**—a twelve month apprenticeship program helping dealers train their successors to profitably manage an automobile or truck dealership.

**Management Education**—sponsors workshops at national, state, and local conventions. Arranges periodic regional management seminars for dealers and managers. Publishes an array of management aids.

**Official Used Car Guide**—provides wholesale, retail, and loan values on all models for dealers, lending institutions, insurance companies, and others. Monthly circulation of over 350,000 with nine regional editions.

**NADA Retirement Trust (NADART)**—provides dealers and their employees with pension and profit-sharing plans.

**National Automobile Dealers Insurance Trust (NADIT)**—provides group insurance plans for automobile dealers, their management staff, and their families.

**NADA Automobility Foundation**—focuses attention on the value of the motor vehicle in society through media and public service programs.

**NADA Charitable Foundation**—a non-profit organization that provides financial support to deserving health and education activities.

**Automotive Consumer Action Program (AUTOCAP)**—voluntarily sponsored by 41 state and local dealer associations. The program assists in resolving dealer-consumer automotive complaints. 17 manufacturers currently endorse AUTOCAP.

**American Truck Dealers (ATD)**—represents the specialized interests of medium and heavy-duty truck dealer members. ATD members share in the programs, services, and benefits of NADA. A special committee of truck dealers, elected by truck dealers, supervises the activities of ATD.

**Automotive Trade Association Managers (ATAM)**—comprised of 103 state and local automobile trade associations in the U.S., Canada, and Mexico. An ATAM representative sits on every NADA committee.

## P.S. NADA

**Proven Services for Car and Truck Dealers**

**NATIONAL AUTOMOBILE DEALERS ASSOCIATION**

**INDUSTRY ANALYSIS DEPARTMENT**

**8400 Westpark Drive**
**McLean, Virginia 22102**
**(703) 821-7295**